MULTIMEDIA UNIVERSITY

STUDENT ID NO

MULTIMEDIA UNIVERSITY

FINAL EXAMINATION

TRIMESTER 1, 2015/2016

UNL1612 – CONTRACT LAW I

(All Sections / Groups)

13 OCTOBER 2015
Reading Time: 9.00 a.m. – 9.15 a.m.
(15 Minutes)
Answering Time: 9.15 a.m. – 12.15 p.m.
(3 Hours)

INSTRUCTIONS TO STUDENT

1. **Students** will have **fifteen minutes** during which they may read the paper and make rough notes ONLY in their question paper. **Students** then have the remaining **THREE HOURS** in which to answer the questions.

2. This Question paper consists of 3 pages with 5 Questions only.

3. Answer **FOUR (4) Questions Only.**

4. Students are allowed to bring into Examination Hall **CLEAN** and **ORIGINAL** copy of:

   (i) Contracts Act 1950
   (ii) Civil Law Act 1956
   (iii) Specific Relief Act 1950

5. Please write all your answers in the Answer Booklet provided.

QUESTION 1

On 1 March 2015, Ms. Bijak proposed to sell an Apple laptop to Mr. Cerdik at RM1,500. It was clearly written in the proposal that acceptance must be made latest on 28 March 2015. On 11 March 2015, Mr. Cerdik wrote an e-mail to Ms. Bijak requesting that the purchase price of RM1,500 should include the laptop accessories and anti-virus software. Ms. Bijak read the e-mail on 12 March 2015 and replied that she agreed to the request and to sell the laptop at RM1,500.

Mr. Cerdik's emails were corrupted and he did not have a chance to read Ms. Bijak's email. Assuming that Ms. Bijak refused to accept his negotiation, he tried to call her over the phone on 25 March 2015 to accept Ms. Bijak's earlier offer. Since Ms. Bijak was not at home, Mr. Cerdik left a message with her daughter, Ms. Genius. On 29 March 2015, Ms. Bijak met Mr. Cerdik at a Melaka Ayer Keroh Theme Park, where her daughter, Ms. Genius remembered the message and conveyed it to her. Ms. Bijak apologised to Mr. Cerdik as she had sold the laptop to someone else.

Advise both parties on their legal position.

(Total: 25 marks)

QUESTION 2

(a) Section 21 of the Contracts Act 1950 provides "where both parties to an agreement are under a mistake as to a matter of fact essential to the agreement, the agreement is void."

Discuss the application of the above provision. Support your answer with relevant cases.

(10 marks)

(b) *"In our view there is a growing body of authority which supports the proposition that a collateral agreement can exist side by side with the main agreement which it contradicts."* Per Raja Azlan Shah CJ in *Tan Swee Hoe Co. Ltd. v Ali Hussain Bros* (1980) 2 MLJ 16.

Discuss the above statement. Support your answer with statutory provisions and cases.

(15 marks)

(Total: 25 marks)

Continued...

QUESTION 3

Nana has just completed her SPM examination and decided to look for a part time job. She comes from a poor family and her intention is to help her family with the part time job salary. On 1 February 2015, she attended a walk-in interview at the Mat Rock Restaurant at Bandar Hilir, Melaka.

(a) During the interview, she was asked whether she had turned 18 and she answered yes. In fact, she will turn 18 on 5 December 2015. She was then hired.

Discuss the legal status of the above contract of employment.

(12 marks)

(b) When asked her age during the interview, Nana said she was 17. Mat Rock, the owner of the restaurant, then proceeded to hire her. However, later he refused to pay Nana's salary after three months of working. The restaurant denied liability on the basis that Nana was not eligible to enter into any contract.

Advise Nana.

(13 marks)

QUESTION 4

(a) "An agreement to which the consent of the promisor is freely given is not void merely because the consideration is inadequate."

Discuss the above statement with reference to relevant cases and statutory provisions.

(12 marks)

(b) In April 2015, Mr. Deco visited Mr. Seman, a disabled old-age. During the visit he noticed that some works need to be done for the amelioration of the home. In early May 2015, Mr. Deco bought some paint and brushes. He painted Mr. Seman's house. Mr. Seman was so pleased with Mr. Deco's hard work and initiative that he said to Mr. Deco, "Your kindness shall be rewarded. Come back by 10 June 2015, after I have received my pension and I will give you RM300." When Mr. Deco went to see Mr. Seman on 10 June 2015, he refused to give him the RM300 as promised.

Advise Mr. Deco.

(13 marks)

(Total: 25 marks)

Continued...

QUESTION 5

Discuss the doctrine of promissory estoppel and state the requirements that must exist before the doctrine can apply. Support your answers with relevant cases.

(Total: 25 marks)

End of Page